SPYGLASS RESOURCES CORP.

SPYGLASS RESOURCES CORP. ANNOUNCES 2014 SECOND QUARTER RESULTS, REDUCES NET DEBT AND DECLARES AUGUST DIVIDEND

All values are in Canadian dollars unless otherwise indicated. Conversion of natural gas volumes to barrels of oil equivalent (boe) are at 6:1.

Calgary, Alberta – August 12, 2014. Spyglass Resources Corp. ("Spyglass", or the "Company") (TSX: SGL, OTCQX: SGLRF) is pleased to announce it has made progress towards the Company's strategy of enhancing financial flexibility, including streamlining the organization and non-core asset sales to reduce net debt, improve cost efficiencies, increase capital program and further focus operations. Spyglass also provides its unaudited interim financial and operating results for the quarter ended June 30, 2014 and declares the August cash dividend payment of $0.015 per share ($0.18 per share annualized) payable September 15, 2014.

Selected financial and operational information for the second quarter of 2014 is outlined below and should be read in conjunction with Spyglass' interim Consolidated Financial Statements and Management's Discussion and Analysis on www.sedar.com and also available at www.spyglassresources.com.

Second Quarter Summary

- Sold or agreements to sell $51 million of non-core assets (prior to normal closing adjustments) lowers net debt at June 30, 2014 to $271 million, incorporating $42 million of assets held for sale with closings expected to occur in the third quarter of 2014. This reduces net debt by $36 million from $307 million at March 31, 2014 and is comprised of $291 million of long-term bank debt offset by a $20 million working capital surplus.
- Funds flow from operations for the second quarter of 2014 of $19 million ($0.15 per share) surpassed first quarter funds flow of $16 million.
- Production for the second quarter of 2014 averaged 14,474 boe/d, incorporating 700 boe/d downtime at Dixonville, compared to 14,560 boe/d in the first quarter.
- Operating netbacks in the quarter improved to $27.31 per boe from $24.10 per boe in the first quarter of 2014 and $20.81 per boe in the second quarter of 2013 reflecting higher commodity prices and operating costs lower than guidance.
- Capital expenditures (prior to acquisitions and dispositions) for the second quarter of 2014 were $15 million, with $12 million directed towards drilling, completion and optimization activities.
- In mid-April, Spyglass commenced drilling a horizontal Cadomin natural gas well at Noel (1.0 net). As previously announced, the well was completed earlier than anticipated, beginning post frac flow-back at rates of over 1,000 boe/d of natural gas in late June. Completion, equipping and tie-in occurred in July and the well has a current production rate of approximately 950

boe/d. The Company has an extensive drilling inventory at Noel, with over 85 Cadomin horizontal locations identified.

Selected Financial and Operating Information

Operating	**Q2 2014**	**YTD 2014**	**Q2 2013**
Average daily production			
Oil (bbls/d)	6,164	6,472	7,434
NGLs (bbls/d)	535	464	490
Natural Gas (Mcf/d)	46,647	45,486	50,626
Total (boe/d)	14,474	14,516	16,362
Realized prices			
Oil ($/bbl)	95.28	92.54	83.67
NGLs ($/bbl)	55.63	64.43	57.75
Natural Gas ($/mcf)	4.75	4.91	3.74
Total Revenue ($/boe)	57.95	58.70	51.32
Netback ($/boe)			
Revenue	57.95	58.70	51.32
Royalties	(10.27)	(10.49)	(10.14)
Operating expense	(18.27)	(20.28)	(18.17)
Transportation expense	(2.10)	(2.23)	(2.20)
Operating Netback[(1)]	**27.31**	**25.70**	**20.81**
General & Administrative Expense	(3.35)	(3.38)	(3.94)
Realized hedging gain (loss)	(6.31)	(6.03)	(0.98)
Interest & Financing & Other	(3.20)	(2.96)	(2.07)
Cash netback[(1)]	14.45	13.33	13.82

Financial *($000)(except per share figures)*	**Q2 2014**	**YTD 2014**	**Q2 2013**
Funds Flow from Operations[(1)]	19,043	35,069	20,558
per share	0.15	0.28	0.16
Net Income (Loss)	815	(10,882)	246
per share	0.01	(0.08)	0.00
Dividends	8,645	17,290	8,644
per share[(2)]	0.0675	0.135	0.0675
Capital Expenditures	15,402	33,249	8,284
Capital Expenditures and property acquisitions net of dispositions	10,578	23,097	8,284
All-in Payout Ratio (%)[(1)]	101%	115%	82%
Net Debt[(1)]	270,828	270,828	296,853

Share Information (000's)	**Q2 2014**	**YTD 2014**	**Q2 2013**
Common shares outstanding, end of period	128,077	128,077	128,077
Weighted average shares outstanding	128,077	128,077	128,077

(1) See Non-GAAP measures.

(2) Second quarter 2014 dividends are calculated based on 128,076,720 shares outstanding.

Non-Core Property Dispositions

In the second quarter and to date in the third quarter, Spyglass has executed purchase and sale agreements or closed transactions for the sale of $51 million (prior to normal closing adjustments) for non-core assets primarily in the Alberta Deep Basin, southern Saskatchewan and other non-core Alberta properties. In total, these transactions involve the disposition of approximately 1,085 boe/d (75 percent natural gas), total proved reserves of 5.4 MMboe, total proved plus probable reserves of 8.5 MMboe, undeveloped land of approximately 25,000 net acres and annual cash flow of approximately $7.7 million. In aggregate, the metrics for these dispositions are: total proved reserve cost of $9.50 per boe, total proved plus probable reserve cost of $6.10 per boe, $47,300 per boe of production and approximately 6.7x cash flow.

Operations Update

Halkirk-Provost Activity

Earlier in 2014, Spyglass successfully renegotiated its farm-in agreement in the Halkirk-Provost area of central Alberta which results in a more favourable royalty. As a result of the new agreement the Company commenced a 10 well horizontal drilling program in late July, targeting Viking light oil. To date, 5 of the 10 wells have been drilled with initial production from the program anticipated late in the third quarter.

Noel Activity

In the second quarter, Spyglass drilled a horizontal Cadomin natural gas well at Noel. As previously announced, the well was completed earlier than anticipated, beginning post frac flow-back at rates of over 1,000 boe/d of natural gas in late June. Installation of permanent production equipment and tie-in occurred in July and current production is approximately 950 boe/d. The Company has an extensive drilling inventory at Noel, with over 85 Cadomin horizontal locations identified.

Southern Alberta Activity

Spyglass previously announced the successful completion of 1 (1.0 net) Glauconite light oil well at Cessford with very strong initial test rates. An upgrade to the Spyglass battery at Matziwin was subsequently initiated to accommodate the new oil production from this well and its follow up locations. In May, the well was placed on constrained production and it is anticipated that facility work will be completed in the third quarter.

As a follow up to this location, the Company has successfully drilled and completed an offsetting Cessford horizontal location targeting Glauconite light oil. The well is expected to be tied-in and placed on production late in the third quarter.

A third well at Cessford, a step out location, has been drilled and will be completed in the third quarter.

Dixonville Update

As a result of previously announced pipeline incidents, Spyglass continues to work with the Alberta Energy Regulator to return the Dixonville field to full production in a safe and appropriate manner. To date, Spyglass has restarted approximately 42 percent (1,260 boe/d) of production with the remainder of the field to be brought back on production as the Company completes inspection and remediation of the gathering system.

The reduction in Dixonville production is expected to impact 2014 annualized production by 800 boe/d. The related cash flow impact is approximately $8 million (as compared to prior performance), including the $2.2 million cash flow impact incurred in the second quarter.

Declaration of August Dividend

The Board has approved the August cash dividend of $0.015 per share ($0.18 per share annualized) payable on September 15, 2014 to shareholders of record on August 28, 2014. The ex-dividend date will be August 26, 2014.

Spyglass is focused on improving long-term sustainability and enhancing long term shareholder value. In 2014, the focus is strengthening the balance sheet through non-core asset sales and developing the Company's drilling locations, while aligning the cost structure and dividend policy to the changing asset base. The Company will continue to sell non-core assets to improve financial flexibility, focus the asset base and fund the Company's high impact drilling program.

The dividend policy of Spyglass is at the discretion of the Board and is reviewed monthly in the context of a number of factors including current and forecast commodity prices, foreign exchange rates, an active commodity price risk management program, status of current operations and future investment opportunities.

Outlook

The 2014 capital program is expected to total approximately $72 million ($19 million net of property dispositions). The program includes 22 gross (21.3 net) development wells, primarily in Southern and Central Alberta. Capital activity for the remainder of the year will be weighted towards the third quarter.

2014 Drilling Locations	Gross	Net
Halkirk-Provost	10	10.0
Noel	1	1.0
Southern Alberta	11	10.3
Total	**22**	**21.3**

Management anticipates that the planned level of development activity and continued success in the 2014 drilling program coupled with the Company's 20 percent base decline rate is expected to result in

2014 average production of approximately 14,000 boe/d, taking into account year-to-date non-core property dispositions and shut-in production at Dixonville. Management anticipates 2014 average operating costs of $19.00 to $20.00 per boe. 2014 general and administrative expenses are expected to be approximately $3.00 per boe prior to a $0.25 per boe provision for reorganization costs.

The current outlook for commodity prices coupled with Spyglass' net capital program, hedging position and current dividend level is expected to result in a 2014 target all-in payout ratio of approximately 75 percent.

The Company will continue to pursue non-core asset dispositions throughout 2014 to reduce debt, accelerate capital spending and further focus operations.

Spyglass Resources Corp. is a dividend paying intermediate oil and natural gas company, headquartered in Calgary, Alberta and currently operates oil and gas properties in Western Canada.

Non-GAAP Measures

This press release includes terms commonly referred to in the oil and gas industry that are considered non-GAAP measures. These non-GAAP measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and therefore may not be comparable with the calculation of similar measures by other companies.

"**Funds from operations**" represents cash flow from operating activities adjusted for changes in non-cash working capital, transaction costs and decommissioning expenditures.

"**Operating netbacks**" are determined by deducting royalties, operating and transportation expenses from oil and gas revenue, calculated on a per boe basis.

"**Cash netbacks**" are determined by deducting cash general and administrative, realized hedging losses, interest expense and other income from Operating netbacks, calculated on a per boe basis.

"**Cash dividends per share**" represents cash dividends declared per share by Spyglass.

"**Basic Payout ratio**" is calculated as cash dividends declared divided by funds from operations.

"**All-in payout ratio**" is calculated as cash dividends declared plus capital expenditures (net of dispositions) divided by funds from operations.

"**Net debt**" is calculated as bank debt plus working capital deficiency excluding current portion of risk management contracts and liabilities associated with assets held for sale.

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Reader Advisory and Note Regarding Forward Looking Information

Certain statements contained within this press release, and in certain documents incorporated by reference into this document constitute forward looking statements. These statements relate to future events or future performance. All statements, other than statements of historical fact, may be forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements.

In particular, this press release contains the following forward looking statements pertaining to, without limitation, the following: Spyglass' (i) future production volumes and the timing of when additional production volumes will come on stream; Spyglass' (ii) realized price of commodities in relation to reference prices; (iii) future commodity mix; (iv) future commodity prices; (v) expectations regarding future royalty rates and the realization of royalty incentives; (vi) expectation of future operating costs on a per unit basis; (vii) the relationship of Spyglass' interest expense and the Bank of Canada interest rates; (viii) future general and administrative expenses; future development and exploration activities and the timing thereof; (ix) deferred tax liability; (x) estimated future contractual obligations; (xi) future liquidity and financial capacity of the Company; (xii) ability to raise capital and to add to reserves through exploration and development; (xiii) ability to obtain equipment in a timely manner to carry out exploration and development activities; (xiv) ability to obtain financing on acceptable terms, and (xv) ability to fund working capital and forecasted capital expenditures. In addition, statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve assessments based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future.

We believe the expectations reflected in the forward looking statements are reasonable but no assurance can be given that our expectations will prove to be correct and consequently, such forward looking statements included in, or incorporated by reference into, this press release should not be unduly relied upon. These statements speak only as of the date of this press release or as of the date specified in the documents incorporated by reference in this press release. The actual results could differ materially from those anticipated as a result of the risk factors set forth below and elsewhere in this press release which include: (i) volatility in market prices for oil and natural gas; (ii) counterparty credit risk; (iii) access to capital; (iv) changes or fluctuations in production levels; (v) liabilities inherent in oil and natural gas operations; (vi) uncertainties associated with estimating oil and natural gas reserves; (vii) competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; (viii) stock market volatility and market valuation of Spyglass' stock; (ix)geological, technical, drilling and processing capabilities; (x) limitations on insurance; (xi) changes in environmental or legislation applicable to our operations, (xii) our ability to comply with current and future environmental and other laws; (xiii) changes in tax laws and incentive programs relating to the oil and gas industry, and (xiv) the other factors discussed under "Risk Factors" in the Company's 2013 Annual Information Form.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this press release and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward looking statements contained in this press release speak only as of the date thereof and Spyglass does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

This press release shall not constitute an offer to sell, nor the solicitation of an offer to buy, any securities in the United States, nor shall there be any sale of securities mentioned in this press release in any State in the United States in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any such State.